

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Sri Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.54 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against **Sri Om Prakash Singh, Junior Accountant (Retd)** – Imposition of punishment of withholding of **Rs.3090/-**(Rupees three thousand ninety) per month from his pension for a period of **(15) fifteen years** under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

FINANCE (ADMN.I.VIG.) DEPARTMENT

G.O.Rt.No.588

Dated:22.02-2012

Read the following:-

- 1) JD, PPO`s Charge Memo.No.K/a1/8022/ JD, dated 19.2.2004.
- 2) Defence Statement of Om Prakash Singh, Junior Accountant (Retd) dated 18.2.2008.
- 3) G.O.Rt.No.4513, Finance (Admn.I.Vig) Dept, dt:19.11.2008
- 4) Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
- 5) JD, PPO Proceegs. No.A1/K/8022-22 JD, PPO/10 dated 9.3.2010Show Cause Notice
- 6) JD, PPO, Lr.No.A1/254/2944/JD,PPO/2010 dated 5.8.2010 along with representation of Sri OM Prakash Singh, Junior Accountant (Retd.) dated 31.3.2010 & 30.6.2010.
- 7) Final Show Cause Notice in Govt.Memo.No.13365-A/42/A2/ Admn.I.Vig/2003-2,dated:16.11.2010
- 8) Explanation of Sri Om Prakash Singh, Junior Accountant (Retd.) dated 14.12.2010.
- 9) Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 22.9.2011 addressed to Secretary, APPSC.
- 10) From the Secretary, APPSC Lr.No.186/RT-I/3/2011, dt 9.12.2011

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ORDER:

The Director of Treasuries and Accounts, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed, change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who connived with them to have easy access

and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P. Treasury Code. Vol-I and the procedure prescribed in G.O.Ms.No.213, Finance & Planning (FW PSC) Department, dated.19.12.1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved a way for the culprits to tamper with the records of the office and resort to fraudulent drawals.

2. In the reference 1st read above Departmental Proceedings were initiated by the O/o the JD, PPO against **Sri Om Prakash Singh, Junior Accountant (Retd)** along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12- 1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against **Sri Om Prakash Singh**, O/o APPO, B& MO now retired as Junior Accountant.

Charge.I: Sri Om Prakash Singh, the then J.A in O/o the APPO, C-Gutta and presently working as J.A in O/o the APPO, B&MO during the period from 11/98 to 9/2011 at Chandrayanagutta Branch has failed to follow the procedure prescribed in A.P. Treasury code & the instructions issued thereon from time to time in making pension disbursements in respect of the pension payment officers listed in the statement enclosed to the statement of imputations, and there by given scope for fraudulent drawals and was responsible for a loss of Rs.2,92,780 to the exchequer.

Thus Sri Om Prakash Singh, the then JA. In O/o the APPO, C-Gutta poresently working as JA in O/o the APPO, B&MO the above mentioned has exhibited lack of integrity devotion to duty and conduct becoming of a Government servant and thereby contravened rule 3 (1) & (2) A.P. Civil Services (Conduct) Rules, 1964.

3. In his defence statement, has stated that he belong to the O/o APPO, B& MO and that he was deputed to work in the O/o the APPO, Chandrayanagutta by the then Joint Director Pension Payment Officer, Hyderabad his salary was drawn and paid by the APPO, B&MO only for the period he worked at Chandrayanagutta from 11/98 to 9/2011. The duties of Junior Accountant are only limited and he was expected to do the work whatever was entrusted to him. The Junior Accountant is not expected to know the contents of the A.P. Treasury Code unit he passes Accounts Test for Subordinate Officers Part.I and II. The JAO and the APPO are the persons who are expected to see whether the pensions are being paid to the proper persons or not, whether Life Certificates are received or not and whether non-employment and non-remarriage certificates (in respect of family pensions) are received or not. The Junior Accountant was only a pawn in the chess board and there is nothing to act independently.

4. He further stated that it was mentioned in Annexure-II to the Charge Memo. that Sarvasri Md. Ashfaq and Ibrahim Khaleel who worked as Pension Receipt writers are the main culprits to make use of their experience in the matter of payment of pension and to make representations in the name of the deceased pensioners, to get address changed and to change the bank of pensioners and draw from the accounts fraudulently. It is mentioned that they changed the descriptive rolls replacing the descriptive rolls with the bogus descriptive rolls and played an important role to draw the pensions in the name of the bogus pensioners. The point for consideration is as to how these culprits gained entry into the place wherever the Pension Payment Orders (PPO) were kept and that too in the personal custody of the head of the Office. It was said by elders that the PPOs shall be kept in the personal custody of the head of

Office. If this was the rule position, the APPO is held responsible for the entire misappropriation of Govt. money. As regard the insistence of Life Certificate etc., he submit that the same culprits might have managed to produce bogus certificate so that the pensions can be continued to be on the live rolls.

5. Finally he requested the Pension Payment Officer, Hyderabad to drop the charge framed against him as he was only a small person with no independent role in the matter of payment of pension.

6. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, General Administration Department as Inquiry Authority to inquire into the charges framed against the Charged Officer **Sri Om Prakash Singh, Junior Accountant (Retd)**, Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

7. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquiries has submitted his report vide reference 4th read above. In the Enquiry the charge framed against **Sri Om Prakash Singh, Junior Accountant (Retd)** has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to **Sri Om Prakash Singh, Junior Accountant (Retd)** as to why a suitable punishment should not be imposed against him as the charge framed against him has been proved in the inquiry vide reference 5th cited.

8. **Sri Om Prakash Singh, Junior Accountant (Retd)** in his representation has stated that there was no scope to see the pensioner before making payment as per GO.MS.No.79 Finance dated 4.3.1989 and G.O.Ms.No.23, Finance dated 19.12.1997 in as much as the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit pension payment office as per S.R 67 (A) 16 of AP.T.C Vol.-I. Hence failure to obtain life certificate is not at all relevant to him and Govt. to examine his statement of defence meticulously and to drop further action against him. . Therefore, he has requested the Government to drop further action in the matter and release all his pensionary benefits.

9. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has **provisionally decided to impose a punishment of withholding of Rs. 3090/- from his pension for a period of 15 years** and issued a final Show Cause Notice to him vide reference 7th read above.

10. **Sri Om Prakash Singh, Junior Accountant (Retd)** in his representation has stated that there was no rule of recovery of interest. But as seen from the others suffered employees like him, the Govt. has quoted Article 300 of APFC.Vol.I. The recovery of interest was not applicable in his case as the Article 300 of APFC. Vol.I has been amended through G.O.Ms.No.33, Finance (TFR.I) Department dated 9.2.2006 enabling the authorities to recover misappropriated amounts from the Government employees together with the interest at Bank Rate. Whereas the incident of fraudulent drawal took place a decade back when there was no rule of recovery of interest. Hence, not applicable to the cases arose on or after 9.2.2005. Finally he requested the Government to examine his explanation meticulously and to drop further action against him.

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64 to 87 for payment of pension i.e., he involved in violation of procedure prescribed in A.P. Treasury Code and instructions issued thereon from time to time in making pension disbursements in respect of certain pension payment orders.

The Charged Officer has stated that he had followed the orders issued in G.O.Ms.No.79 Finance (PFW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.2007 regarding procedure for payment of pension through the banks and pension shall not be stopped for life certificate etc., upto the end of December. In the said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions were hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt for Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. This ground is totally untenable. He should not have presumed this, till such amendments were issued, the respective codal provisions remained in force and needed to be followed. Due to non-exercise of checks, fraudulent payment of pensions occurred due to the replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 Finance (FW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code. Therefore, Government, provisionally decided to impose a punishment of withholding of Rs.3090/- from his pension for a period of (12) years on Sri Om Prakash Singh, Junior Accountant (Retd)) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri Om Prakash Singh, Junior Accountant (Retd)) and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10th read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.3090/- per month from pension for a period of (15) years on the Charged Officer Sri Om Prakash Singh, Junior Accountant (Retd).

13. Government accordingly, hereby order for imposition of a punishment of **withholding Rs.3090/- (Rupees three thousand ninety) per month from his pension for a period of fifteen (15) years on the Charged Officer Sri Om Prakash Singh, Junior Accountant (Retd)** under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

DR. P.V. RAMESH
PRINCIPAL SECRETARY TO GOVERNMENT (FP)

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Accountant General, A.P., Hyderabad.

SF/SC

//FORWARDED::BY ORDER//

Section Officer.